

PHOTO | HBJ FILE



Dr. James Cardon, chief clinical integration officer at Hartford Healthcare, says accountable care organizations will be a mainstay in the healthcare industry.

MEASURING PROGRESS

Providers reveal doubts, hopes about accountable care organizations

By Matt Pilon

mpilon@HartfordBusiness.com

Accountable care organizations (ACOs) are one of the most significant ongoing attempts in Connecticut to reverse or slow rising healthcare costs and improve care quality, but there's been little insight into how they're performing.

Until now.

A recent survey conducted by the Connecticut Health Policy Project in conjunction with the Hartford Business Journal provides some of the most in-depth analysis of Connecticut's ACO market, revealing there are at least several hundred thousand state residents enrolled in accountable care organizations.

Survey responses from nine ACOs that list Connecticut as part or all of their service territory found

Read the full survey results at HartfordBusiness.com

Continued on page 16

Amid slowdown, home lenders turn to boat buyers, common-area owners for profits

By Gregory Seay

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Lending to home buyers and refinancing existing mortgages, once deemed a stable, relatively low-risk route to making money, is taking on an air of vulnerability for Connecticut banks.

At least, that's how Glastonbury regional lender United Bank sees it, as interest rates that continue to hover at their lowest levels in generations drain much of the local demand for mortgage refinancing, and new and used home purchases remain spotty. Consumers also have many more options for obtaining

a home mortgage, including through credit unions and online financial-services providers like Quicken Loans.

As a result, United and other Connecticut and U.S. lenders are searching for profitable new ventures, which is why the \$6 billion-asset successor to former Rockville Bank late last year took on a relatively tiny, \$170 million portfolio of loans to boat sellers and buyers. It also acquired the Maryland-based marine-lending team from French bank giant Societe Generale.

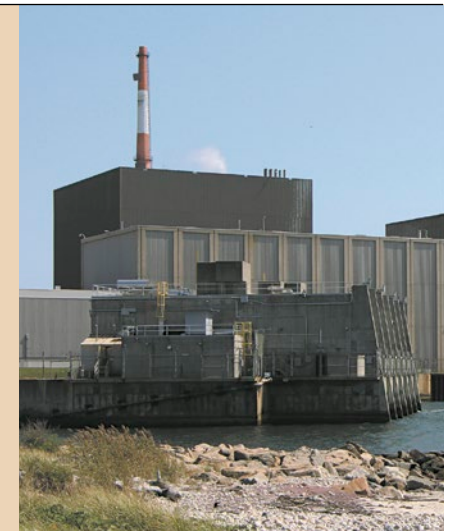
"This is really a way to diversify," said United Bank President/CEO William H. W. "Bill" Crawford

Continued on page 14



United Bank President/CEO William H. W. "Bill" Crawford IV has diversified into financing boats.

PHOTO | HBJ FILE



Energy Reforms

Connecticut's clean energy advocates are pushing policy changes that hint at broader tensions between utilities and developers of distributed generation, like solar panels, fuel cells, wind turbines and biomass plants. **PG. 3**



Market Expansion

While production of Protein Sciences' eggless flu vaccine quadrupled last year to 1.2 million doses, the Meriden company is far behind its ambitious five-year goal to produce 30 million doses annually. Find out how the company plans to play catch up. **PG. 8**

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Waterford's Millstone Power Station will be one of the last remaining nuclear facilities in New England by 2019, as the industry faces increased pressure from low natural gas prices and other factors.

Reforms spotlight CT's evolving energy industry

By Matt Pilon

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Energy policy is ever changing in Connecticut and despite a sharp focus this legislative session on growing budget deficits, lawmakers are considering a flurry of bills that would impact Connecticut's energy landscape, particularly in the renewables sector.

Clean energy advocates are pushing policy changes that hint at broader tensions between utilities and developers of distributed generation, like solar panels, fuel cells, wind turbines and biomass plants.

Questions are also being raised about the long-term financial viability of trash-to-energy plants, the future of nuclear power in the state, and how the costs of expanded solar and other renewable energies should be fairly distributed.

The most significant proposal this year, pitched to the Energy and Technology Committee, would allow utility companies Eversource and Avangrid (formerly United Illuminating) to increase the amount of renewable energy projects they can build, own and operate by nearly

seven-fold, from 30 megawatts to 200 megawatts.

Senate Bill 224's supporters and opponents aren't split down predictable lines.

Avangrid favors the bill, calling it "a means to maximize the production of larger scale, in-state renewable technologies."

But Eversource urged lawmakers to reject the measure, saying it would rather focus on the myriad projects pitched during a recent renewable energy procurement effort coordinated by the state Department of Energy and Environmental Protection (DEEP). As part of that multi-state bidding process, developers proposed 240 megawatts of clean energy projects in Connecticut, including plans to build the state's largest solar and fuel cell developments.

Several major energy developers, like Solar City and NRG, argued the bill would put too much market power in the hands of utilities, which have been mostly barred from owning generation here since deregulation in the late 1990s. Industry association ReNew Northeast argued that utility owned renewables would likely be more expensive for customers than

those provided by private competitors.

Meanwhile, Danbury's FuelCell Energy and East Hartford's Connecticut Center for Advanced Technology, which has fuel-cell partnerships, both support the measure.

Other bills on deck

DEEP is attempting to revive a stalled "shared-solar" pilot program, which is supposed to allow groups of ratepayers who can't install solar panels on their own dwellings to use renewable energy produced by shared-solar panels or clean technology.

DEEP recently submitted testimony supporting a bill that would allow Eversource and Avangrid to recover the cost of administering the two-year, six-megawatt program, a key issue that has divided the utilities and clean-energy advocates.

But there's still disagreement between both sides over how the costs would be recouped and over what time period.

The legislative fight is playing out as utilities across the U.S. try to fend off incentives for renewable power generation that could

threaten their own viability.

Connecticut farmers could benefit from House Bill 5242, which expands their access to virtual net-metering.

Currently, only municipalities and state entities can take full advantage of virtual net-metering, which allows participants to share electricity from a single renewable energy source or "assign" their renewable billing credits to other customers. The bill would allow owners of agricultural properties to also own, lease or contract for those renewable facilities.

Meantime, House Bill 5309 would require the quasi-public Connecticut Green Bank and the State Building Inspector to develop a standardized solar permit application for all solar projects, to speed up the approval process. But it will be up to municipalities to decide whether to adopt it.

The solar industry has pushed for years for quicker and cheaper permitting, which they argue would speed adoption of the

Continued ▶



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Reforms

technology and reduce soft costs.

Michael Trahan, executive director of advocacy group Solar Connecticut, argued the latest bill wasn't needed because, at the legislature's direction, the Green Bank has already worked to develop permitting processes with municipal officials.

He argued it would be more helpful to cap permitting fees and require online permit applications.

Trash-to-energy feels natural gas pressures

Senate Bill 168 would require the Public Utilities Regulatory Authority to conduct a study of Connecticut's trash-to-energy facilities, which burn approximately two-thirds of the state's waste stream.

Mark Bobman, executive director of the Bristol Policy Energy Board, which oversees waste management programs for 18 communities, said the handful of trash-to-energy plants in the state are struggling — and could financially collapse — because low natural gas prices have cut into the price they can fetch for power generated at their plants.

There are concerns that a failure of trash-to-energy plants could lead to higher disposal prices for Connecticut business and residents, since it may require waste to be shipped out of state.

Both Bobman and the Connecticut Council of Small Towns (COST) asked the Energy and Technology Committee to consider creating a renewable energy credit for trash-to-energy plants. COST also asked lawmakers to expedite completion of the study by Dec. 1.

"Energy prices have dropped to historic

PHOTO | HBJ FILE



A shared-solar program would allow a condo community to draw from one solar-generation facility.

low levels, for the most part creating a boon for consumers but in the long run, many believe this is a turbulent and unstable marketplace," Bobman wrote.

Bobman said trash-to-energy facilities will be vital for the state to reach its goal of hitting a 60 percent recycling rate by 2024.

Nuke plant: Don't forget about us

Connecticut's energy policy considers lots of different technologies to be "renewable," which earns them a spot in the state's renewable portfolio standard. The RPS mandates that utilities buy an increasing amount of power from renewable sources over time, hitting 27 percent by 2020. Much of that must be "Class I" sources like solar and wind, which are among the cleanest in the RPS.

One major energy generator that's not included in the RPS, even though it produces no carbon dioxide, is Waterford's Millstone Nuclear Power Station, owned by Dominion.

Kevin Hennessy, Dominion's director of

state and local affairs, reminded legislators last month that Millstone, which produces approximately 25 percent of Connecticut's installed generation capacity, will soon be one of the only nuclear plants in New England, following the planned closure of Massachusetts' Pilgrim Nuclear Generating Station in 2019. Pilgrim's owner, Entergy, is also in the process of closing a Vermont nuclear plant. A New Hampshire nuke plant operated by NextEra Energy remains operational.

"It's a challenging environment," Hennessy said. "Gas is cheap. While [Millstone] is well positioned for now, a few years from now, I don't know what that position will be."

Hennessy said it could be favorable for Millstone if Connecticut follows recent proposals in New York and Illinois to effectively create an RPS tier for nuclear power, but he stopped short of advocating for such changes in this state.

"The legislature has been very good at looking at the different resources they want to procure," he said.

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Stephanie Sobkowiak, practicing Health Care Law

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BOSTON HARTFORD NEW HAVEN STAMFORD WHITE PLAINS WOBURN

EXECUTIVE PROFILE

HB PHOTO | JOHN STEARNS



Stephen E. Goldman, the newly elected managing partner at Robinson+Cole, seen here at the firm's downtown Hartford office, has spent his entire career with the firm.

Stephen E. Goldman

Managing partner,
Robinson+Cole LLP

Highest education: Law degree,
New York University School of
Law, 1980.

Executive insights:

"When I've seen successes in my own practice, it's been because I've got a lot of help from others and been able to develop a team that works well with me and works well with each other."

Goldman's cross-country journey lands him top lawyer spot

By John Stearns

jstearns@HartfordBusiness.com

Hartford trial lawyer Stephen E. Goldman, the new managing partner of Robinson+Cole LLP, has represented insurance companies after hurricanes, terrorist attacks and an anthrax contamination.

"You would think a narrow specialty like property insurance would be pretty dry," Goldman said. Not so.

Goldman, 61, has spent his entire career at Robinson+Cole since joining in 1980, turning a mostly Connecticut-oriented first half of his career into one that took him into courthouses nationwide, including the U.S. Supreme Court. His expanded practice scope began after he represented an insurer of the Fontainebleau Hotel in Miami Beach following Hurricane Andrew.

He came to the case six years after the 1992 storm, when the hotel sought additional property damage claims. He helped get both sides to arbitration and settle on what he called favorable terms after 23 days of hearings.

That bolstered his profile, leading to what eventually became a national "catastrophe practice," for the last 20 years, during which time he represented insurers after Hurricane Katrina in 2005, one of his more challenging roles.

"You walk into a very hostile environment as a lawyer for an insurance company coming in after a catastrophe and what you need to get people to realize is ... we're giving advice to get the claims that should be paid, paid," Goldman said.

Some judges who started off hostile to the insurers turned receptive when they saw the companies were not trying to cheat people out of money, he said.

"It's a tough sorting-out process because you have claims that just aren't covered and then you have claims that are covered and should be paid. Then you have claims that are overreaching and greedy because that happens, too, in catastrophes," he said.

Another interesting case emerged from anthrax delivered in the mail to the publisher of tabloids including the National Enquirer, which killed the photo editor and resulted in the building's six-year shutdown in Boca Raton, Fla., until it was decontaminated. Goldman handled the insurance claim over business interruption losses.

The policy had an exclusion for loss

caused by contamination, but an exception if the contamination was caused by vandalism, so the question was whether the letter was a form of vandalism within coverage, Goldman said. The case settled, but coming after 9/11 amid fears more such incidents could occur, "these were sort of cutting-edge issues" in the property insurance industry, he said.

Goldman also handled business-interruption cases emerging from 9/11.

In the last decade or so, he's gotten heavily involved in class-action litigation. In his 2013 Supreme Court case, he successfully represented the insurer in *Standard Fire Insurance Co. v. Knowles*, the first case the court reviewed involving the Class Action Fairness Act of 2005.

As managing partner with Robinson+Cole, which has about 200 lawyers in six states, Goldman wants to build on the firm's strong culture of collaboration and loyalty. Lawyers helping lawyers was instrumental for him staying with the firm.

His leadership style will include frequent face-to-face engagement with partners and using that input to help steer and grow the firm, he said.

John B. Lynch Jr., managing partner for seven years before Goldman, said his successor exemplifies the firm's culture and values, and his energy, ideas and passion bode well for Robinson+Cole, where Lynch has worked 32 years.

"I think he's very fair and he's really shown an ability to be a team-builder," Lynch said. "Steve's had a really successful practice and he's helped build a successful team and other people have flourished working with him."

Goldman and his wife, Kathryn, a doctor at the Burgdorf clinic in Hartford, have four grown children, three of them girls. The youngest, 19, is a freshman at Colorado College in Colorado Springs. The oldest, 24, is a Brown University graduate living in Amman, Jordan, working at an aid organization helping Syrian refugees. The two middle children are at Washington University in St. Louis and Carleton College in Northfield, Minn.

Goldman likes to hike, bike and cross-country ski. He has bike-toured in Europe and Japan. During college summer break in 1974, he rode across the U.S. with a friend, covering 4,000 miles in 6 1/2 weeks on a route that also took them over Lake Superior into Canada. ■

Check out a video clip of Goldman's interview at hartfordbusiness.com.

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BY THE NUMBERS

\$33.99

New England's average megawatt hour wholesale cost of electricity in January, down from \$65.59 in Jan. 2015, thanks to this winter's warm weather.

72B

The number of toy blocks sold in 2015 by Lego, which has its U.S. headquarters in Enfield.

\$219.9M

The state's projected deficit for its current fiscal year, according to the Comptroller's office, which is in line with recent budget predictions from the Office of Fiscal Analysis.

\$11K

The amount UConn spent on a full-page promotional ad in the Dallas Morning News ahead of the men's basketball teams' game last week against Texas-based Southern Methodist University.

TOP 5 MOST READ

on HartfordBusiness.com

- CT 9th worst state for retirement
- Miami private equity firm buys Stag Arms
- Quest Diagnostics acquires Clinical Laboratory Partners
- UConn names new athletic director
- Hartford Courant abruptly names new publisher

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PHOTO CONTRIBUTED

Stag Arms will continue making guns in New Britain after its recent sale.

TOP STORY

Miami private equity firm buys Stag Arms

Just months after its founding CEO accepted an industry ownership ban after pleading guilty to federal firearms' violations, New Britain gun maker Stag Arms LLC has been sold to a Miami-based private equity firm.



Mark Malkowski, Founder and President, Stag Arms

White Wolf Capital LLC has acquired Stag Arms for an undisclosed price. As part of the deal, Stag Arms will continue to operate out of its current New Britain facility, under a new federal firearms license.

In December, Stag Arms, through its Founder and President Mark Malkowski, pleaded guilty in Hartford federal court to felony possession of a machine gun not registered to the company and agreed to no longer hold a federal firearms license.

Malkowski also pleaded guilty to a misdemeanor charge for failing to maintain proper firearms records.

Stag lost its license to make and sell firearms and had to be sold following a federal investigation, which found Stag Arms in possession of 62 machine guns and machine-gun receivers that were registered with another entity, or not registered at all, which is a violation of federal law.

MANUFACTURING

Honeywell drops pursuit of UTC

New Jersey aerospace manufacturer Honeywell said last week it's no longer pursuing an acquisition of United Technologies Corp., even though it still thinks a deal would be good for shareholders.

Honeywell is dropping the merger, it said, because Farmington-based UTC is no longer willing to engage in negotiations.

UTC said it was an appropriate outcome given the strong regulatory obstacles, negative customer reaction and the potential for a protracted review process that would have destroyed shareholder value.

Honeywell said in a statement it was interested in a combination with UTC because it saw compelling value creation for both sets of shareholders and a readily executable deal due to two largely complementary business portfolios.

Stanadyne buys out India partner

Windsor fuel-injection systems maker Stanadyne LLC has acquired full interest in its joint-venture churning out diesel-fuel systems in India.

Financial terms weren't disclosed last week for Stanadyne's pre-arranged buyout of The Amalgamations Group in their 15-year-old joint venture.

The joint venture produced a wide range of diesel-injection pumps and injectors at their Chennai, India, facility and serves customers in the Near East region, officials said.

Stanadyne's recently announced EcoForce diesel fuel pump, a new compact fuel pump designed for engines below 50 horsepower, will be produced in Chennai, officials said.

ENERGY & UTILITIES

Mild Jan. weather drove down wholesale electricity costs

Warmer January temperatures drove down the wholesale cost of electricity nearly 50 percent, according to grid operator ISO New England.

A megawatt hour of electricity cost \$33.99 in January, down from \$65.59 in Jan. 2015, ISO-NE said. The lower electricity costs were linked to natural gas prices, which were down by a nearly identical margin over the year, to \$4.73 per one million British thermal units.

Demand for electricity — and the natural gas that produces nearly half of it in the region — was lower because of relatively warmer temperatures. January averaged 29.7 degrees, up from 16.7 degrees a year earlier.

HEALTH CARE

Aetna CEO says he supports Obamacare amid losses

The head of Hartford insurer Aetna said last week he supports Obamacare insurance exchanges, even though he recently questioned their sustainability.

Aetna CEO Mark Bertolini said Health and Human Services Secretary Sylvia Burwell called him shortly after he made critical remarks during an earnings conference call on Feb. 1. The nation's third largest insurer announced it had lost money on the exchanges last year.

Before then, Aetna had struck a more upbeat tone compared to some rival insurers.

Bertolini said he intends to continue working with the Obama administration and state officials but wants them to address some of the problems that are hampering enrollment under the Affordable Care Act, particularly among young people. Government officials, he said, should allow more flexibility in rates and benefit design to attract younger and healthier consumers. Those enrollees are crucial to offset the higher medical costs of insuring older, chronically ill patients.

ADVERTISING, MEDIA & MARKETING

Hartford Courant abruptly names new publisher

As part of a companywide shakeup, Tribune Publishing abruptly replaced the publisher of The Hartford Courant after just two months on the job. Andrew Julien has been promoted to editor-in-chief and publisher.

Gone is Tom Wiley who had just been named publisher Jan. 5. Previously, Wiley was executive vice president of sales at Digital First Media, which owns three Connecticut newspapers.

Tribune replaced publishers at all nine of its newspapers and combined them into the editor positions.

A 25-year veteran of the Courant, Julien has overseen an expansion and diversification of the newsroom's operations over the last four years as editor and vice president.

ECONOMY & LABOR

CT's GDP growth lags slightly behind region, nation

Connecticut's gross domestic product grew 1.6 percent in the third quarter of 2015, according to a report by the federal Bureau of Economic Analysis.

That growth places the state 35th in the United States. Connecticut's growth was slightly eclipsed by a national GDP increase of 1.9 percent.

Connecticut's GDP for the third quarter was approximately \$262.2 billion, up from \$253.2 billion in the third quarter of 2014.

The strongest growth for Connecticut on a percentage basis came from the retail trade sector at 0.37 percent. Construction also saw growth at 0.24 percent. Wholesale trade fell by 0.34 percent.

New England as a region saw growth of 2 percent. Connecticut was last among the six states, just behind New Hampshire, which was ranked 34th.

CT 9th worst state for retirement

A new report by Bankrate.com says Connecticut is the ninth-worst state for retirement. Its main negatives are the nation's second-highest tax burden and a high cost of living.

The study examined six key factors: cost of living, taxes, health care, weather, crime and residents' overall well-being.

Connecticut residents fared well in the overall well-being category (ranking 20th nationwide), but that was offset by the state's high income and property tax rates, both being second highest in the country.

HUMAN RESOURCES

Study shows bias against disabled in the workplace

New research says a large share of Americans don't believe the disabled can be as productive in the workplace as employees without physical limitations.

The study, conducted by The Hartford Financial Services Group, found 76 percent of Americans said they would find a way to be productive after a physical disability, even if it meant training and taking a new job. And 45 percent strongly agree disabled employees are as productive as workers without disabilities.

However, only 26 percent felt strongly that people with physical disabilities could perform most jobs done by individuals without disabilities.

"Advances in technology and medicine, along with cultural changes, are helping to redefine what it means to be disabled, but this new research shows misconceptions linger," said Mike Concannon, executive vice president of The Hartford's Group Benefits business.

The conflicting opinions found in the survey, The Hartford said, may stem from the range of definitions respondents assign to the term "disability."

GOVERNMENT, POLITICS & LAW

Car makers join CT auto dealers in opposition to Tesla bill

Another rumble is brewing around Tesla car sales in Connecticut. Industry associations representing automobile dealers and manufacturers came out last week against a proposal that would allow Tesla to sell its high-end electric cars directly to Connecticut consumers, effectively bypassing dealership franchises.

The Connecticut Automotive Retailers Association (CARA) and the Alliance of Automobile Manufacturers — which represents a dozen major manufacturers — said proposed Senate Bill 3 would create an unfair playing field for Tesla.

Asked for comment, James Chen, Tesla's deputy general counsel and vice president of regulatory affairs, portrayed the auto dealers and manufacturers as "entrenched interests" trying to block innovation.

Tesla said in November that allowing it to open showrooms in Connecticut would generate (per showroom) as many as 25 jobs, as much as \$10 million in direct economic impact, and an additional \$1.7 million in sales tax revenue.

Auto dealers have countered that the franchise model offers



Tesla, whose electric vehicle is shown above, is pushing the state legislature to allow it to sell directly to consumers.

greater consumer protections.

Tesla pushed for a similar bill last summer, but the legislation died in the House, despite a compromise brokered with CARA that would have limited Tesla to three sales locations in the state.

SPORTS & OUTDOORS

UConn names new athletic director

UConn has tapped the chief operating officer of Auburn University's athletic department to be its next athletic director. David Benedict was introduced as UConn's new AD last week in Storrs.

At Auburn, Benedict directed the day-to-day operations of the Auburn athletic department, with particular emphasis in operational planning, resource allocation, budget development and financial management. He led the department in developing strategic long-range plans for a \$120-million budget, facilities and staffing.

UConn appears to have hired Benedict for his ability to improve revenues to the program. In a statement, the university cited his time at Auburn where he negotiated a unique nine-year, \$78-million deal with Under Armour.

LAW

Hartford employment lawyers merge with Georgia firm

Atlanta labor and employment law firm FordHarrison LLP is establishing a beachhead in the Capital City following its merger with Hartford-based Rose Kallor LLP.

Rose Kallor's three partners, Michael Rose, Robin Kallor and Johanna Zelman, and two other lawyers will join FordHarrison's Hartford office at 750 Main St. With the addition, FordHarrison now has more than 200 attorneys and 29 offices nationwide.

Firm Managing Partner C. Lash Harrison said, "The Hartford office will help solidify our presence in the New York metro area as well as give us a toe hold in the Northeast."

WHAT'S AHEAD:

■ 3/14 Focus: **Residential Real Estate**

■ The List: **Mortgage Lenders/ Home Sales**

■ Nonprofit Profile: **Hands on Hartford**

CALENDAR

WEDNESDAY, MARCH 30

Crowdsourcing for Medical Device Innovation

Louis Foreman, CEO of North Carolina-based Edison Nation Medical, will present a seminar on how researchers, scientists and medical device makers can bring their products to market through crowdsourcing and crowdfunding.



Louis Foreman

The March 30 event will run from 5:30 p.m. to 7:30 p.m. at Medtronic's headquarters, 60 Middletown Ave., North Haven.

Foreman will discuss a number of new and innovative pathways that have come into existence over the last several years to help inventors in the medical device industry bring their products to market — from crowdsourcing to crowdfunding to open innovation. In this discussion, he will explore these various options and share his 20-plus years of expertise regarding the pluses and minuses of each model.

Cost to attend is free, but you must register by March 25 to attend.

For more information contact: Leo Snow, 860.547.1995, lsnow@beaconalliance.org.



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Manon Cox says Protein Sciences must ink deals with national retailers like CVS and Walmart to expand the market share of its egg-free flu vaccine, Flublok.

Protein Sciences seeks to expand vaccine market share

By Matthew Broderick

Special to the Hartford Business Journal

When Protein Sciences first launched Flublok in 2013 — the only egg- and preservative-free flu vaccine on the market — Manon Cox, the company's president and CEO, expected the product to put the Meriden-based drug developer on the map in a global influenza vaccine market expected to be worth \$3.8 billion by 2018.

"I thought it would take off," Cox said, noting the Food and Drug Administration-approved product remains the only vaccination for people with egg allergies. "But it's taken longer than expected."

While production of Flublok quadrupled from 300,000 doses two years ago to 1.2 million doses last year, Cox says her company's ambitious five-year goal to produce 30 million doses annually will require building many more relationships, including with national retailers like Walmart, Rite Aid and CVS. She anticipates vaccines will, over time, account for 90 percent of her company's revenue.

As part of a multi-pronged approach to promote and distribute Flublok, Protein Sciences recently collaborated with Wallingford-based Gaylord Hospital, Hartford Healthcare, and Hunter Ambulance to provide mobile vaccinations, a strategy that not only increased awareness of Flublok, but may also grow to serve as a national model for community vaccinations.

In fact, this past fall, according to Susan Mangello, Protein Science's director of medical services, the collaboration helped vaccinate more than 2,200 people at 68 mobile clinics, including senior centers, fire departments, local businesses and healthcare facilities. More than one-quarter of the people served through the program were employees of Gaylord Hospital, which — like a growing number of healthcare providers — mandates that all employees receive an influenza vaccine.

"About 92 percent of our employees received their vaccination through this program," said Dr. Stephen Holland, Gaylord's chief medical officer, who noted that collaborations between health-related organizations are becoming a bigger trend in the industry. "We are looking for these types of relationships, where we can meet joint goals, improve quality of care and cut costs," he said.

"It's a very cost-effective solution for a hospital," said Mangello, adding the program saved the hospital staff time and reduced administrative paperwork — both of which were handled through program staff. But for Mangello, the program was as much about raising understanding about a product that, although FDA-approved, still raises concerns as a new vaccine.

"Some people were scared to try Flublok," she said, "and needed to be educated."

Mangello, who is also a registered nurse, understands those concerns. She explained that while traditional flu vaccines have been made using an egg-based manufacturing process for the past 70 years, Flublok is a recombinant vaccine, which uses a production technology only approved in the U.S. since 2013 — and does not include an egg-grown vaccine virus.

Not only has the recombinant approach made the product the only vaccination option for people with egg allergies — with fewer side effects, Mangello says — but it involves a much faster production schedule than traditional egg-based production, according to the Center for Disease Control (CDC).

"We can [mass] produce a vaccine in 12 weeks," Cox said, noting egg-based manufacturing typically takes six to eight months. "It's a major advantage of our technology."

Those production capabilities have proven to be a cash boon for Protein Sciences, which has benefitted from hefty government investment — \$150 million to date — to help accelerate vaccine production methods to address a

potential pandemic outbreak, like the H1N1 virus in 2009.

That infusion of government capital helped Protein Sciences expand its workforce, manufacturing capabilities, and revenue — \$45 million in 2014 in alone — but Cox says some of that past funding is less available as government entities like the National Institutes of Health are investing in the development of their own vaccine, which just adds one more potential competitor to a landscape dominated by a handful of major players.

That's been a challenge for Protein Sciences. "Because we produce smaller doses [than the market leading companies] our wholesale price of \$35 is higher than the average of \$32," Cox said. She said her company is seeking a partner — a larger drug manufacturer — to help expand Flublok's marketing and distribution to the world's largest retailers.

For now, Cox says, Protein Sciences is encouraged by success of its mobile vaccinations and is looking to expand its grassroots outreach to more sites next flu season. The program is also helping test new healthcare delivery models.

"Mobile integrated health care is part of our company's short- and long-term planning," said Donna Hunter, owner of Hunter's Ambulance, which provided the fleet of vehicles as mobile vaccine units. "Our healthcare system is moving from fee-for-service treatment to a preventative care model."

Cox is happy her flu vaccine has part of that solution. "We continue to experiment," she said. "It might serve as a national model," and put her vaccine — and company — on the map in the vaccine market.



Protein Sciences used a mobile clinic (shown above) to expand the use of its egg-free flu vaccine in Connecticut.

PHOTO | CONTRIBUTED

Q&A

CT backs CaroGen's quest to fight cancer, hepatitis B

Q&A talks with Bijan Almassian, president and CEO of CaroGen, a Farmington-based bioscience company developing a hepatitis B virus (HBV) immunotherapy, using replication-competent virus-like vesicles (VLVs) technology.

Q: When you opened your lab at the UConn incubator space in Farmington last year, the company's main viral target had been hepatitis B. Where is CaroGen with the hepatitis B vaccine?

A: Currently, we are in the process of optimizing our immunotherapy to train the immune system to attack multiple HBV targets. This strategy increases the likelihood of effectiveness of a chronic viral infection where the immune system has become unresponsive to the infection. Within 18 months of successful financing, we plan to file an Investigational New Drug (IND) application with the Food and Drug Administration and initiate a phase-I human clinical trial.

Q: What's the global impact of developing a hepatitis B vaccine?

A: Worldwide, over 240 million people live with chronic HBV infection and over 600,000 die each year from HBV-associated liver diseases. Over time, chronic HBV causes liver disease and puts many people at high risk of death from cirrhosis. Chronic HBV is also a major cause of liver cancer. The current standard of care, comprising anti-viral and immune enhancement drugs, suppresses the viral infection but typically does not eliminate the virus and in many cases can lead to drug resistance. Cessation of anti-viral therapy is usually accompanied by a rebound in the virus in most patients. As a result, in the U.S. and Europe, only about 10 percent of treatment eligible chronic HBV individuals actually receive treatment.

Q: In partnership with a UConn professor, CaroGen is also developing a vaccine against colorectal cancer. How unusual are cancer vaccines?

A: One mechanism of tumor formation and progression stems from a loss of the immune system's surveillance capabilities that permit the growth and spread of cancer cells. Immunotherapy-based approaches

strive to re-train/stimulate the patient's immune system to attack cancer cells.

Immunotherapy may be an option for patients if they have breast, prostate, brain, colon, kidney or spinal cancer, along

with non-Hodgkin lymphoma, leukemia or melanoma. In collaboration with a UConn professor we are working to develop an immunotherapy for colon cancer that targets multiple known antigens associated with colon cancer using CaroGen's VLV vaccine platform and UConn's expertise in the field of colon cancer and their relevant animal models to test the approach. Cancer

vaccines represent an emerging area of therapeutic development and CaroGen intends to be at the forefront of this promising approach to cancer.

Q: How is the climate for a business like yours in Connecticut? Does proximity to Yale and UConn bolster your efforts? Are there negatives to being here?

A: CaroGen is among the very few biotechnology companies within Connecticut that utilizes the expertise and resources of both Yale and UConn. Our VLV vaccine technology was originally developed at Yale University and initial HBV discovery was conducted by Yale scientists under a sponsored research agreement.

We continue our collaboration with Yale and also are expanding our academic relationship into UConn to demonstrate the use of a VLV-based vaccine in important infectious diseases. We're also looking to demonstrate the use of the technology in oncology, and colon cancer is only one example of this. UConn has also been helpful in providing access to resources (i.e. internship program) that have been supportive of our laboratory R&D efforts and provided valuable experience to young scientists. Finally, CaroGen is a member of the UConn Technology Incubation Program (TIP) in Farmington, providing access to state-of-the-art laboratories and



BIJAN ALMASSIAN
President and CEO of CaroGen

core facilities, which are accompanied by well-designed office space.

Q: Are you able to find venture investment to continue your research?

A: The financing climate for building an early stage biotechnology company in Connecticut has been difficult over the last decade, but it is getting better. The state has allocated additional funds to support startup biotechnology companies through Connecticut Innovations (CI), most notably the \$200 million Connecticut Bioscience Innovation Fund (CBIF) that CI manages. The state has also expanded available workspace provided by UConn's incubator program, which has just added 32 new labs/offices in Farmington.

The major challenge for biotechnology entrepreneurs in Connecticut is raising private-sector capital for further development of their products/programs needed to fund activities leading to regulatory approval and subsequent commercialization. There are a limited number of angel and early stage venture capital (VC) life science investors in the state, and the ones who will consider investing require, in most cases, a larger, blue-chip life science VC to lead the financing.

We have received our initial pre-seed and follow-on financing through CI, which has helped us generate the data we need to seek out additional funding from either private investors and/or potential strategic investment from corporate partners.

Q: Can medical companies like yours accomplish your goals without public support?

A: No. We owe our existence and the development of our company to Connecticut Innovations' pre-seed and seed investments and UConn's assistance, both on the research side of things and physical facility/support programs. However, it is essential that the company attract private funding. We estimate it will take over 10 years to develop and launch a therapeutic vaccine and cost in excess of \$250 million.

CaroGen is currently seeking to raise \$10 million within the next 12 months to help finance clinical trials and establish proof-of-concept in animal models.

Like many biopharmaceutical companies, our corporate strategy is to advance our HBV vaccine beyond phase I human clinical trial and then enter into a partnership with a major pharmaceutical partner to complete the product development. In other words, the \$10 million should advance our HBV program far enough along to show proof of concept in humans, which will likely allow the company to enter into a strategic partnership to fund the HBV program, and potentially other programs (e.g., in cancer and other infectious disease) moving forward.

Q: What are the long-term goals for CaroGen?

A: Our goal is to develop a pipeline of three to four vaccines within the next five years resulting in corporate partnerships and a high possibility of an initial public offering (IPO). We believe the power and uniqueness of the VLV technology is of significant interest to global vaccine developers and therefore the company will be an extremely attractive opportunity for investment and for corporate partnerships, in the process allowing us to build a robust biotechnology company in Connecticut. ■

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Largest bioscience/biotechnology companies in Connecticut

(Ranked by number of employees as of March 2016)

Rank	Company	Headquarters	No. of employees in CT	Bioscience sub categories	Focus	Year founded	Top executive
1	Pfizer Inc. 558 Eastern Point Road Groton, CT 06340 860-441-4100; www.pfizer.com	New York, NY	3,000	Pharmaceuticals	Medicinal chemistry, pharmacokinetics, dynamics and metabolism, pharmaceutical sciences, clinical trials, drug safety, comparative medicine, regulatory	1849	Ian C. Read Chairman & CEO
2	Boehringer Ingelheim Pharmaceuticals Inc. 900 Ridgebury Road Ridgefield, CT 06877 800-344-3095; us.boehringer-ingelheim.com	Ridgefield, CT	2,700 (1)	Pharmaceuticals	Development and manufacture of human and animal healthcare products	1885	Paul R. Fonteyne President & CEO, USA
3	Alexion Pharmaceuticals Inc. 100 College St. New Haven, CT 06510 203-272-2596; alexion.com	New Haven, CT	1,000	Pharmaceuticals	Severe and life-threatening rare disorders	1992	David L. Hallal CEO
4	Bristol-Myers Squibb Co. 5 Research Parkway Wallingford, CT 06492 (2) 203-677-6000; www.bms.com	New York, NY	835 (3)	Biomanufacturing Genetics Pharmaceuticals	BioPharma focused on discovering, developing and delivering medicines to help patients prevail over serious diseases such as cancer, cardiovascular disease, fibrotic diseases, genetically defined diseases, hepatitis C, HIV and rheumatoid arthritis	1858	Giovanni Caforio CEO
5	PerkinElmer Inc. 710 Bridgeport Ave. Shelton, CT 06484 (4) 203-925-4600; www.perkinelmer.com	Waltham, MA	500	Bioinformatics	Human and environmental health	1937	Robert F. Friel Chairman & CEO
5	Purdue Pharma LP 1 Stamford Forum, 201 Tresser Blvd. Stamford, CT 06901 800-745-7445; www.purduepharma.com	Stamford, CT	500 (5)	Medical Pharmaceuticals	Prescription and non-prescription medicines and hospital products; development of opioid pain medications with abuse-deterrent properties	1991	Mark Timney President & CEO
7	The Jackson Laboratory for Genomic Medicine (6) 10 Discovery Drive Farmington, CT 06032 860-837-2474; www.jax.org	Bar Harbor, ME	200	Medical Genetics	Discovery of genomic causes of disease and development of diagnostics and therapeutics	2014 (7)	Charles Lee, PhD Scientific director
8	MannKind Corp. 1 Casper St. Danbury, CT 06810 203-798-8000; www.mannkindcorp.com	Valencia, CA	168	Pharmaceuticals	Inhalation product technologies	1991	Matthew J. Pfeffer CEO, CFO & director
9	Scapa Healthcare (8) 111 Great Pond Drive Windsor, CT 06095 860 688-8000; www.scapahealthcare.com	Manchester, UK	100	Medical Biomanufacturing	Adhesive coated materials for the medical device, consumer wellness, advanced wound care and drug delivery fixation markets	1982	Joseph Davin President, Healthcare
10	Protein Sciences Corp. 1000 Research Parkway Meriden, CT 06450 800-488-7099; www.proteinsciences.com	Meriden, CT	90	Bioengineering Pharmaceuticals	Vaccine development and protein production	1983	Manon M. J. Cox President & CEO
11	Achillion Pharmaceuticals 300 George St. New Haven, CT 06511 203-624-7000; www.achillion.com	New Haven, CT	80	Pharmaceuticals	Therapy for chronic hepatitis C and a platform of specific complement factor D inhibitors	2000	Milind S. Deshpande President & CEO
12	Core Informatics 36 E. Industrial Road, 2nd floor Branford, CT 06405 866-823-0337; www.coreinformatics.com	Branford, CT	62	Bioinformatics	Data management and lab informatics solutions built on the platform for science	2005	Josh Geballe CEO
13	Transgenomic Inc. 5 Science Park New Haven, CT 06511 203-907-2201; www.transgenomic.com	Omaha, NE	55	Genetics	Genetic testing	1997	Paul Kinnon President & CEO
14	Kolltan Pharmaceuticals Inc. 300 George St., Suite 530 New Haven, CT 06511 203-773-3000; www.kolltan.com	New Haven, CT	41	Pharmaceuticals	Biologics targeting receptor tyrosine kinases for oncology and immunology	2008	Gerald McMahon President & CEO
15	Ce3 Inc. 246 Goose Lane, Suite 202 Guilford, CT 06437 203-404-7500; www.ce3inc.com	Guilford, CT	40	Medical	Contract research focused on providing biotechnology companies with phase 1 and 2 clinical trial execution and regulatory submission services	2005	Holly Ohanesian Coulter President & CEO
15	Melinta Therapeutics Inc. 300 George St., Suite 301 New Haven, CT 06511 203-624-5606; www.melinta.com	Lincolnshire, IL	40	Pharmaceuticals	Discovery, development and commercialization of antibiotics to overcome resistant, life-threatening infections	2000	Eugene Sun Interim CEO
17	Arvinas Inc. 5 Science Park New Haven, CT 06511 203-535-1456; www.arvinas.com	New Haven, CT	30	Medical	Development of therapeutics to treat a variety of diseases including cancer, pro-inflammatory, autoimmune and rare disease	2013	Manuel Litchman President & CEO
17	NanoViricides Inc. 1 Controls Drive Shelton, CT 06484 203-937-6137; www.nanoviricides.com	Shelton, CT	30	Pharmaceuticals	Nanotechnology-based biomimetic anti-viral medicines targeting influenzas, bird flu, HIV/AIDS, cold sores, genital herpes infection, viral eye diseases, ebola and dengue viruses	2005	Eugene Seymour, CEO Anil R. Diwan President & chairman
19	CARA Therapeutics 1 Parrott Drive Shelton, CT 06484 203-567-1500; www.caratherapeutics.com	Shelton, CT	22	Medical	Development of therapeutics to treat human diseases associated with pain, inflammation and pruritus	2004	Derek Chalmers Director, president & CEO
20	Celldex Therapeutics Inc. 688 East Main St., Suite 1A Branford, CT 06405 203-483-3500; www.celldex.com	Hampton, NJ	20	Medical Pharmaceuticals	Immunotherapy, therapeutic antibodies, antibody drug conjugates, immune system modulators and vaccines	2005	Anthony Marucci President & CEO
21	New England Discovery Partners 23 Business Park Drive Branford, CT 06405 203-208-2523; nedp.com	Branford, CT	11	Pharmaceuticals	Contract research in synthetic and medicinal chemistry; drug discovery services to academic, pharmaceutical and biotechnology companies	2012	Michael Van Zandt President & CEO
21	Woven Orthopedic Technologies LLC 63 E. Center St., Suite 3A Manchester, CT 06040 860-259-1260; www.wovenorthopedics.com	Manchester, CT	11	Medical	Medical devices and orthopedic technologies	2013	Ilana Odess CEO

Largest bioscience/biotechnology companies in Connecticut (cont'd.)

(Ranked by number of employees as of March 2016)

Rank	Company	Headquarters	No. of employees in CT	Bioscience sub categories	Focus	Year founded	Top executive
23	Trevi Therapeutics 195 Church St., 14th Floor New Haven, CT 06510 203-304-2499; www.trevitherapeutics.com	New Haven, CT	8	Pharmaceuticals	Clinical development of treatments for chronic itch	2011	Jennifer L. Good President & CEO
24	CaroGen Corp. 400 Farmington Ave. Farmington, CT 06032-1913 203-815-5782; arianeurosciences.com	Farmington, CT	7	Pharmaceuticals	Development of immunotherapy vaccines for infectious disease, cancer and the treatment of patients with chronic hepatitis B virus	2012	Bijan Almassian President & CEO
25	Biological Industries USA Inc. 100 Sebethe Drive Cromwell, CT 06416 860-316-2702; usa.bioind.com	Cromwell, CT	6	Medical Genetics	Embryonic and mesenchymal stem cell culture	2015	Alon Ariel President
26	Body Biolytics LLC 163 Water St. Stonington, CT 06378 860-535-3885; bodybiolytics.com	Stonington, CT	5	Bioengineering Bioinformatics	Digital health analytics from wearable sensors, motion and gesture analytics, biomarker and smart clothing R&D	2014	Kevin Logan President
26	Synovel Laboratory LLC 375 Morgan Lane, Unit 204B West Haven, CT 06516 203-545-9462; synovellab.com	West Haven, CT	5	Pharmaceuticals	Medicinal and process chemistry support for biotech and pharmaceuticals companies, university and nonprofit organizations	2014	Ho-Yin Lo Founder & CEO
28	Elidah 810 Main St., Suite C Monroe, CT 06468 978-435-4324; http://elidah.com	Monroe, CT	4	Medical	Incontinence treatment device	2014	Gloria Kolb CEO

Source: CURE, each company via survey. Notes: R&D = research and development. DND = did not disclose. Marinus Pharmaceuticals Inc. closed its New Haven office. Biodel Inc. expects to cease operations in Danbury in 2016. Hologic Inc., Medtronic and New Haven Pharmaceuticals do not disclose employee data by geographic location. AxiomX Inc. (Abcam plc), Becton Dickinson, Charles River Laboratories International Inc., CooperSurgical Inc., Gilead Connecticut Inc., Icahn School of Medicine Mount Sinai Genomics Research Center and Idexx Laboratories were contacted but did not complete a survey.
(1) On Feb. 19, 2016 an upcoming layoff was announced at the Ridgefield facility without quantifying the scope of the workforce reduction.
(2) In early 2018, BMS plans to close Wallingford site and move 900-plus employees to other locations in Connecticut and Cambridge, Mass.
(3) Figure excludes field-based personnel.
(4) With an additional R&D operation in Branford.
(5) Figure is from 2015.
(6) On the campus of University of Connecticut Health Center.
(7) Year founded for the Farmington site. The Jackson Laboratory was founded in 1929.
(8) Formerly Scapa Tapes North America LLC.
—Compiled by Stephanie R. Meagher.

To view the full list, please visit HartfordBusiness.com

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DEAL WATCH

Rockville's Mount Vernon Apts. undergo \$10.6M refi

PHOTO | CONTRIBUTED



Mount Vernon Apts., Vernon.

Vernon's Mount Vernon Apartments recently underwent a \$10.55 million refinancing with a New York lender.

Owner Chapman Acres LLC on Feb. 9 closed its refi of the property at 1120 Hartford Turnpike, in the town's Rockville section, with a seven-year, 3.61 percent fixed-rate Freddie Mac mortgage through Berkadia Commercial Mortgage LLC.

Berkadia is a venture between Berkshire-Hathaway and Leucadia National Corp.

Mount Vernon's one- and two-bedroom units feature fully equipped kitchens, wall-to-wall carpeting, ceiling fans and air conditioning.

The property was fully leased at the time of loan closing, and 100 percent occupied at the time the loan was secured, Berkadia Senior Managing Director Stewart Campbell said.

\$600K Colchester sale

PHOTO | CONTRIBUTED



The former Colchester Chevrolet site has sold.

A former Colchester auto dealership property has sold for \$600,000, brokers say.

Camryn Realty sold the 1.85-acre parcel, with a 15,000-square-foot commercial building that previously housed Colchester Chevrolet and before that, Jack's Chevrolet Pontiac Oldsmobile, to RG Land Development LLC, according to exclusive broker O,R&L Commercial, who said it brought the buyer to the table.

\$1.5M Newington listing

The 0.71-acre retail site of a former Mobil self-service gas station/mini-mart on Newington's Berlin Turnpike is for sale at \$1.5 million, brokers say.

The property at 3191 Berlin Turnpike/Route 5-15 is across the street from Bob's Discount Furniture, and in the shadow of Target, Lowe's and Walmart.

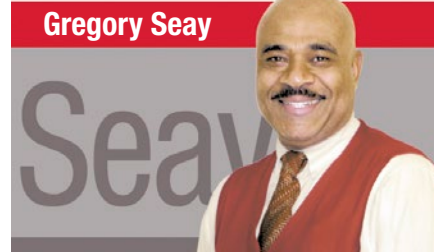
Reno Properties Group LLC has the listing.

W. Hfd. vacancy

Blocks of West Hartford office space totaling as much as 4,300 square feet is available for lease, brokers say.

Units with space beginning at 500 square feet are available for immediate occupancy at 967 Farmington Ave., according to listing broker Sentry Commercial.

Gregory Seay



Highland Industrial Center, Cheshire.

Cheshire properties sell, lease

Cheshire's Highland Industrial Center is the scene of a pair of property transactions, brokers say.

Unit 8, a 4,300-square-foot space in the property at 1486 Highland Ave., sold for \$305,000. Evan Cohen, of Aercon Corp., a heating, ventilation, air conditioning representative for Connecticut and Massachusetts, bought the space from Cavalry Life Family Worship Center.

O,R&L Commercial LLC represented Aercon; Perella Realty represented Cavalry Life.

Next door, the 4,728-square-foot Unit 6 was leased to Environamics, an interior specialty contractor. O,R&L represented the tenant; Giglio Commercial Real Estate represented landlord Randall Raines.

Wallingford Biz Park space

The Wallingford Business Park has available for lease more than half its 389,000 square feet of industrial and office space, brokers say.

The 34.6-acre park at 718 N. Colony Road has 153,000 square feet of vacant high-bay space, plus another 80,000 square feet of 12-foot to 14-foot clear space — half of which could be used for offices, according to listing broker Reno Properties Group.

Wallingford Business Park LLC is landlord.

The business park's existing major tenants include CCI Logistics, Hanna Paper Recycling, Cowan Systems and Transwaste Inc.

Z's Antiques' new home


Owners of Z's Antiques in Tolland recently paid \$250,000 for a Willington industrial building to house their operation, brokers say.

Ann and John Zevetchin bought the approximately 10,600-square-foot building on 9.3 acres at 672 River Road, on the north side of Route 32, from Round Rock LLC, according to exclusive broker Connecticut Commercial Realty & Select Homes.

The new owners plan to revitalize the property that has been vacant for several years, the broker said.

The Zevetchins launched their business, currently housed at 161 Tolland Stage Road, in 1974.

Gregory Seay is the Hartford Business Journal's News Editor.

A woman with dark hair pulled back, wearing a bright red sleeveless top and a black skirt, is leaning on a dark wooden desk. She is looking directly at the camera with a slight smile. A tablet is lying flat on the desk in front of her. The background is a blurred office interior with large windows.

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Overcrowding has mortgagors eyeing options

Crawford IV. “... If all you’re doing is mortgage lending, it’s a very crowded business. Everybody in the world is doing it.”

Fresh regulatory data shows mortgage-loan volumes among Connecticut’s federally insured lenders have fallen during the past eight years. Among 44 lenders with Connecticut headquarters, their overall ratio of one-to-four-family mortgages to assets fell to 27.3 percent as of Dec. 31, 2015, down from a peak of 37.7 percent on Dec. 31, 2007, according to the Federal Deposit Insurance Corp.

Wallingford bank-compliance consultant Leonard F. “Len” Suzio Jr. says that, in addition to market forces, mortgage lenders, too, are reacting to mounting regulatory pressure requiring them to adhere to tighter loan underwriting and other regulatory guidelines aimed at avoiding a repeat of the subprime loan debacle nearly a decade ago.

“The mortgage market is extremely competitive and profitability has been squeezed by new regulations mandating more paperwork and expanded mortgage originator responsibilities — and potential liabilities,” said Suzio, president of GeoDataVision. “We have a number of clients who are expanding their markets to offset the competitive squeeze within their own natural mortgage markets.”

Big U.S. lenders with mortgage desks — among them Bank of America, Chase, Wells Fargo and Freedom Mortgage — already have begun retrenching from the sector, eschewing pursuit of new mortgage borrowers, according to published reports. Even mortgagors with no intention of diversifying away from lending on real estate are eager to broaden their base of patrons for their services.

Take Simsbury Bank & Trust Co. Two years ago, the \$445 million-asset, Farmington Valley mortgage and small-business lender began pursuing opportunities to widen its lending to the homeowner and condominium-owner associations across the state.

Its success with those efforts, said SBT President/CEO Martin J. Geitz, is reflected in the momentum SBT has built the past year with its lending to resident-owners of some aging condo properties that require new driveways, roofs and other common-area amenities.

“What we find is the homeowner-association boards and the people who manage them want to do business with a lender who understands how condo associations work,” Geitz said. “We’ve built an expertise in that area.”



Martin J. Geitz (right), president/CEO of Simsbury Bank & Trust Co., alongside bank finance chief John Sudol.

Connecticut Bank's Mortgage Loan Decline

Federal data shows the declining percentage of one-to-four-family mortgage loans Connecticut banks have on their books compared to their overall assets.

Year Ended Dec. 31	Assets	% of assets in 1-4 family mortgages
2015	\$99.6B	27.32%
2014	\$92.9B	27.63%
2013	\$83.4B	28.22%
2012	\$81.5B	28.22%
2011	\$79.2B	28.71%
2010	\$82.9B	29.92%
2009	\$77.5B	31.43%
2008	\$74.5B	34.12%
2007	\$64.9B	37.65%

SOURCE: FEDERAL DEPOSIT INSURANCE CORP.

Travis Lan, vice president and Northeast bank analyst at KBW Research in Florham Park, N.J., said other small lenders in recent years have turned to equipment financing and other forms of asset-based lending, which typically generate higher profit yields but also require much more attention and scale to be profitable.

Lan, however, has raised concerns about United’s marine-loans purchase and the creation of its LH-Finance division, which is partnering with European lender CGI Finance to underwrite boat loans.

“The move diverts attention and resources away from the community bank,” Lan said.

Crawford, who arrived at United’s predecessor, former Rockville Financial, in 2011 from Wells Fargo Bank, downplays those concerns.

He notes that the \$170 million marine-loan portfolio accounts for just 3 percent of United’s \$6 billion in assets, adding that it’s conceivable the portfolio could eventually reach 5 percent or 6 percent of assets.

Even so, Crawford said, United has done its homework and is confident about its prospects in marine lending.

Parent United Financial Bancorp Inc., Crawford said, “gets ideas all the time” about new lending and financial-products markets and business opportunities, typically presented to it by its investment banker and from other sources, usually at the rate of about 20 per month.

“We always look,” he said, “at businesses related to banking where we think we can make a decent return relative to the risk.”

‘Tweaks’ sought to CT’s EXP loans/grants program

By Gregory Seay

gseay@HartfordBusiness.com

The state’s economic-development agency, with backing from some Connecticut bankers, is pushing several “tweaks” to leverage and expand the reach of its popular Small Business Express (EXP) loan program.

State Department of Economic and Community

Development (DECD) Commissioner Catherine D. Smith advocated last week before the legislature’s Commerce Committee for changes to the EXP initiative launched five years ago to assist fledgling and small businesses with access to capital at a time when many lenders in and outside the state were forced to the sidelines by the Great Recession.

DECD’s proposal, under House Bill 5045, includes eliminating the eligibility requirement that a company younger than 12 months old cannot apply for EXP aid, and creating a new loan fund in conjunction private Connecticut lenders.

EXP was born in the Jobs Bill of 2011, to provide businesses with revolving and forgivable loans and grants to promote job growth. In her testimony to the Commerce Committee, Smith said nearly 1,500 businesses have received more than \$230 million in assistance in exchange for commitments to create or retain more than 22,000 jobs.

As capital markets improve and banks become more active again in lending, however, Smith said it would be wise for the state to partner with private lenders to enhance Connecticut’s lending environment.

Some Connecticut bankers agree. Martin J. Geitz, president and CEO of Simsbury Bank & Trust, a \$445 million-asset community lender, said he and his peers believe that their participation in EXP lending will better leverage the state’s funding allocation.

Geitz, who is immediate past president of the Connecticut Community Bankers Association, pointed to his and other Connecticut banks’ ongoing participation as sanctioned lenders in various federal Small Business Administration loan programs, leveraging federal guarantees and the banks’ capital to finance a broad pool



Catherine D. Smith, commissioner, Connecticut Department of Economic and Community Development.

of undersized and startup enterprises.

“It may be a way for the state,” he said, “to get even more lending to the businesses that are the target of its economic-development program.”

Of course, it also would provide participating banks, Geitz said, the opportunity to cross-sell mortgage-lending, wealth-management and other loan and financial services to EXP companies, their managers and owners.

Beyond the opportunity for state lenders to get involved, Smith said DECD is responding to situations in which fledgling firms were reaching out to the state’s quasi-public technology investment arm, Connecticut Innovations Inc., about bank-rolling them because they didn’t meet EXP’s minimum-age requirement.

Although they possessed a solid business plan, she said, many don’t meet the true definition of being technology companies.

“We want to support those companies as well,” said Smith.

Smith said DECD also is aware of occasions in which small state businesses, to comply with the current age minimum for EXP applicants, wait until the day of their first anniversary to apply for EXP aid.

This is the second year in a row that DECD has asked lawmakers for permission to amend EXP guidelines, to allow participation by banks and younger firms.

The measure failed last year, Smith said, because lawmakers had so much on their plates and “it got lost in the shuffle.”

While confident about the chances for passage this time, the commissioner said she’s learned never to get hopes too high.

“I just worry,” Smith said, “that everything in a short session gets piled on at the end.” ■

Crawford said United’s latest return on assets of 0.87 percent compares favorably with its peers.

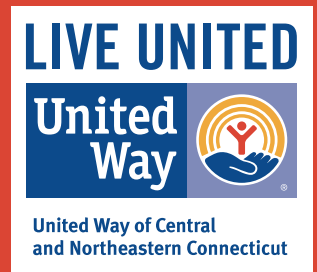
“Our focus is really on taking care of our customers,” he said, “and creating the strongest return we can for our investors.”

In 2015, United issued some \$700 million in residential/commercial mortgages, a record

sum compared to the \$150 million in mortgages issued in 2011, the CEO said. But United must take care not to become too overconcentrated with loans from one sector, he said.

“We would expect to have more moderate growth than we’ve had in the past,” Crawford said. “The bigger you get, the harder it is to grow.” ■

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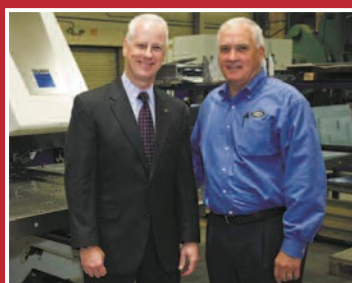
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from page 1

Gradual ACO shift ongoing

some healthcare executives have doubts about whether the ACO model will ultimately succeed. Most ACOs, however, reported modest cost savings and improved care quality in the last few years.

While Connecticut ACO providers are making up-front investments in software and other resources, they aren't taking financial risks in their contracts with Medicare and commercial insurers, the survey found. Hospitals and doctors are receiving financial bonuses for hitting certain cost and quality care benchmarks, but they aren't losing money if they miss those targets.

The 22-question survey, conducted from late 2015 to early 2016, received full responses from nine ACOs, which are all three years old or younger.

For competitive reasons, respondents were promised anonymity, but several agreed to speak on the record about their experiences. They include Hartford Healthcare, one of the state's largest hospital systems; St. Francis Hospital and Medical Center, which was recently acquired by Michigan healthcare operator Trinity Health; and the Connecticut State Medical Society, which has grouped some of its independent physician members into a nationwide ACO.

Accountable care organizations were authorized under the 2010 Affordable Care Act and have taken on different forms and definitions, but they are essentially groups of doctors, hospitals and payers that join together to coordinate patients' care and share information.

ACOs are typically paid by the success of the treatment administered, not by the number of tests or procedures performed. Their ultimate goal is to shift the industry away from its costly fee-for-service model.

Some ACOs are private, formed by commercial health insurers and care providers, while others are run through government payers like Medicare, which has been a key driver for spreading the care model.

Connecticut is also trying to form an ACO for its Medicaid program that would include 700,000 patients.

Key takeaways

The survey respondents have at least several hundred thousand patients enrolled in private and government ACO programs.

Survey responses reveal some doubt over whether the ACO model will ultimately succeed in significantly lowering costs and improving healthcare outcomes.

All but one of the nine respondents, however, said they had either achieved modest savings so far or that it was too soon to tell. One ACO said savings exceeded expectations.

Five of the respondents said they think ACOs will be a part of the future healthcare landscape, while two said they weren't sure. Two others thought all patients would soon be enrolled in an ACO.

"I was especially struck by their honesty and insecurity about the future," said Ellen Andrews, executive director of the Connecticut Health Policy Project, a nonprofit consumer advocacy group. "Connecticut's ACOs are facing serious challenges; we need to find a way to help them be successful."

Andrews said she's concerned that if ACOs can't hit savings targets, they won't have the capital to invest in vital IT infrastructure — like interconnected electronic medical records — needed to ensure adequate coordination of patient care among doctors and

After a cautious entry into the ACO model, St. Francis Healthcare Partners CEO Jess Kupec said he's just about ready to take on higher contract risks with insurers.

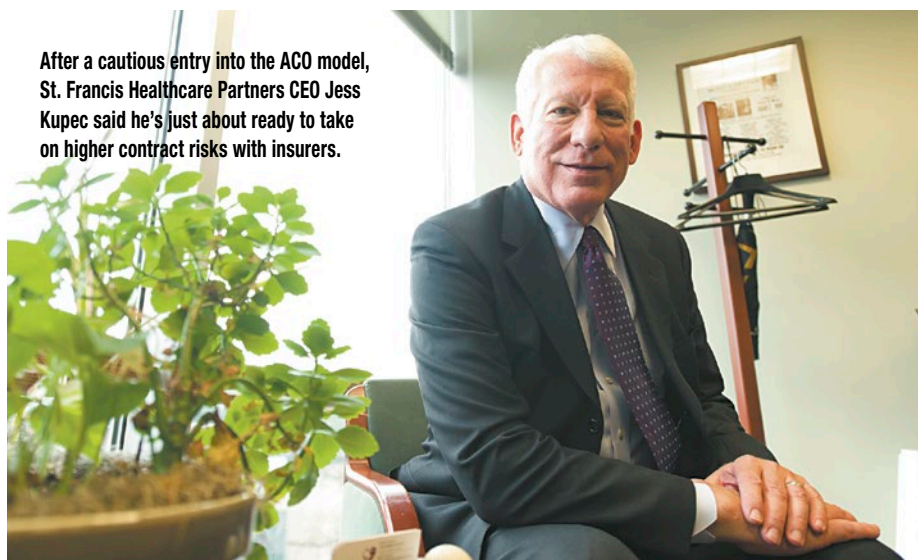


PHOTO | PABLO ROBLES

hospitals. Respondents listed infrastructure and data coordination between both providers and insurers as top hurdles to ACO success.

Nationwide, ACOs have had mixed results. Medicare announced last year that in 2014, only 27 percent, or 97 of its 353 ACOs performed well enough to receive shared-savings payments totaling more than \$411 million.

While a majority of survey respondents said they had improved their quality metrics, nearly 80 percent said they don't intend to seek national accreditation, which would require them to meet a set of broadly accepted quality metrics and publicly report their performance.

Andrews said she found the lack of interest in accreditation concerning because it could provide less opportunity to ensure consumers will receive good value for their healthcare dollars. She said the state should set some ACO standards.

The survey also found nearly half of respondents were considering entering the health insurance business or pursuing health insurance financing. Andrews said that's troubling because it could put care providers and payers under the same umbrella, consolidating the decision-making process and potentially incentivizing the denial of necessary care for cost savings.

The good news, Andrews said, is that the most common goals ACOs reported were improving care coordination and care quality. Competitive concerns fell far down their list of priorities.

"We were pleased to see that the goals of ACOs align well with consumer goals," she said.

Execs: ACO tenets here to stay

While the survey suggests ACOs alone won't solve rising healthcare costs, several executives interviewed insist that core accountable care strategies like physician collaboration and advanced use of patient data are here to stay.

"The key tenets of ACOs are going to be there forever," said Jess Kupec, president and CEO of St. Francis Healthcare Partners. "It may not be the exact same model in the end, but we have to do what we're doing regardless."

St. Francis launched its Medicare "shared-savings" ACO in 2013, which now has approximately 20,000 covered lives. Soon after, it began converting its commercial contracts with Cigna, Aetna, United Healthcare, Connecticut and Anthem — which cover 100,000 patients — to an ACO model, but only with upside risk.

The contracts include financial incentives

for achieving good outcomes, like ensuring at-risk patients with high blood pressure and diabetes take their medications and receive proper screenings.

Private insurers paid St. Francis \$1 million in incentive payments last year, Kupec said.

On the Medicare side, St. Francis' ACO saved money in both of its first two years, but not enough to reach the threshold where Medicare would share a portion of those savings.

While St. Francis has not been willing to accept potential financial losses if its quality performance falls short, Kupec said it plans to begin taking on modest downside risk in its commercial plans starting in 2017.

Hartford Healthcare's Medicare ACO, with approximately 20,000 covered lives, saved nearly \$6 million in 2014 in its second full year. But like St. Francis, it was just shy of Medicare's shared-savings threshold — by a mere \$100,000 or so, according to Dr. James Cardon, Hartford Healthcare's chief clinical integration officer. Federal health officials told a frustrated Cardon that it was one of the smallest margins by which any ACO missed its target. Cardon said he hopes to earn financial rewards in 2015.

Like St. Francis, Hartford Healthcare has also transitioned its commercial contracts to value-based arrangements that incentivize quality care, but doesn't financially punish poor results.

Cardon is convinced the ACO model is here to stay.

"That train has left the station," he said.

Cardon shares some of his fellow survey respondents' frustration around data and infrastructure. He said quality and cost data from both government and commercial payers lags for months. And Hartford Healthcare's technology doesn't fully link all of its providers, forcing some doctors to collect patient data manually.

Medical society sees protections for members in ACO

The Connecticut State Medical Society (CSMS) has enrolled several hundred of its 6,000 mostly small, independent physician practice members into a Medicare ACO, which launched last year covering roughly 12,000 patients.

CEO Matt Katz said the society wanted to offer its members a way to show they could succeed in the ACO model, without necessarily being forced to become part of a larger physician group or hospital.

"It's the transformation of the healthcare system," Katz said. "Physicians don't want to be left by the wayside."

Beyond that, he said doctors care about

Survey Results

Here's a snapshot of the survey results from the nine Connecticut accountable care organizations recently polled by the Connecticut Health Policy Project/HBJ.

Is your ACO considering entering the health insurance business or pursuing insurance company financing?

Yes, currently exploring	0
We are considering it	4
Not at this time	2
No	3

Which payers do you have value-based contracts with now?

Commercial plans, self insured	8
Medicare	8
Medicaid	0

Has your ACO achieved savings yet?

Yes, savings exceeded expectations	1
Yes, but modest so far	4
Not yet	0
Too soon to tell	4

How much of your ACO's revenue is in risk-sharing arrangements?

A lot and growing	4
Not a lot, but we would like to go further	1
Not a lot, we are just testing the concept	1
None, but we are seeking risk-sharing contracts	0
None at this time	3

Has your ACO demonstrated quality improvements?

Yes, across metrics	6
Yes, mainly in one or two areas	0
Mixed results	1
Too soon to tell	2
No, but we're working on it	0

SOURCE: CT HEALTH POLICY PROJECT/HBJ

improving health outcomes and reducing costs.

CSMS' ACO is part of a national ACO called PACS, which is headquartered in Enfield and has approximately 100,000 covered lives.

PACS helps members comply with infrastructure and Medicare filing requirements.

Katz said there are no current plans to pursue commercial risk contracts. He wants to show members that the ACO model can save money, so more will be enticed to join, but CSMS won't know how it performed in the Medicare ACO program in 2015 until later this year.

"We need to crawl before we walk and walk before we run," Katz said.

What does he think of the future of ACOs?

"I think it's a learning model and it may not be the end-all-be-all final model, but it may be a way of getting us somewhere we need to go," he said. ■

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MOVERS & SHAKERS



Debra Zampano



Robert Dellatorre



Samantha Slade



Michael Martin

Frontier Communications names GM for Hartford region

Frontier Communications Corp. has appointed **Debra Zampano** as area general manager for the company's Hartford region.

Zampano will oversee the business and customer experience: provision of broadband, voice services and video, including FrontierTV and Frontier Secure, as well as data-security products. She will lead the Hartford region team on the development and implementation of business, sales and marketing strategies, field operations, and engaging employees and key community stakeholders.

Prior to joining Frontier, Zampano was at Sikorsky Aircraft, where she held several leadership positions, most recently as program director.

Mark Twain House & Museum selects CFO

The Mark Twain House & Museum recently named **Deb Cohen** as chief financial officer after an extensive search. Cohen, who became a CPA in 1993, most recently was vice president of finance for One Beacon Insurance Group.

She serves as vice chair of the West Hartford Historic District Commission and is a historic preservation advocate with a love of historic architecture and local history.

First Niagara promotes executive to senior vice president

First Niagara Financial Group has promoted **Robert Dellatorre** to senior vice president, middle market banking for the New England region. Dellatorre manages the bank's relationships with middle-market companies located throughout New England.

Dellatorre joined First Niagara in 2011 as vice president/relationship manager, charged with developing new business relationships and expanding the bank's corporate banking portfolio. Prior to joining First Niagara, he spent 20 years with JPM Chase middle market banking.

CareCentrix announces chief medical officer

Hartford-based CareCentrix, which connects patients with care at home through a national network of more than 8,000 provider locations, announced that **Dr. Michael Cantor** has joined the company as chief medical officer. Cantor will develop new partnerships with healthcare providers and payers to accelerate patients' transition from hospital to home.

Cantor, a geriatrician and attorney, brings almost 20 years of experience in designing and implementing population-health and quality improvement programs for health plans and healthcare providers.

Cantor most recently served as chief medical officer for the New England Quality Care Alliance, the 1-800-physician network for Tufts Medical Center in Boston, where he managed network population health and post-acute care management programs, as well as quality improvement programs.

Center for Latino Progress announces new director of advancement and marketing

The Center for Latino Progress, a Hartford-based nonprofit serving the Latino community through employment training, job development services, civic engagement and immigration services, recently hired **Samantha Slade** as director of advancement and marketing. Slade will be responsible for planning and imple-

menting the center's fundraising efforts, as well as promoting and expanding its presence in the community.

Previously, Slade was development manager at the Boys & Girls Clubs of Hartford.

C.M. Smith Agency promotes analyst to director of data analytics

Hartford-based C.M. Smith Agency Inc., an employee-benefits and retirement-services broker, recently promoted **Michael Martin** to director of data analytics. Martin's responsibilities include enhancements to reporting content and quality.

Martin joined C.M. Smith in 2014 as a senior data analyst and previously worked as a senior data engineer for SCIO Health Analytics.

Malloy nominates four CT residents to Board of Pardons and Paroles

Gov. Dannel P. Malloy recently announced the appointment of four Connecticut residents — **Patricia Thomas Camp** of Bloomfield, **Jeff L. Hoffman** of Madison, **Christopher Lyddy** of New Haven and **Carmen Sierra** of New Britain — to fill full-time vacancies on the Board of Pardons and Paroles.

Camp is a part-time member of the Board of Pardons and Paroles and is the treasurer of the board of the Connecticut Urban Legal Initiative, a nonprofit that provides clinical training for law students and legal services to nonprofit agencies in the region.

Hoffman works as a contract court security officer at the U.S. District Court in New Haven for the U.S. Marshals Service and is employed by Inter-Con Security, a government contractor.

Lyddy serves as chief operating officer of Advanced Trauma Solutions in Farmington, where he provides training, consultation and quality assurance services in the dissemination and implementation of trauma-informed policies and programs to state agencies and treatment providers.

Sierra is a court-based victim services advocate with the state of Connecticut Judicial Branch Office of Victim Services.

Leadership Greater Hartford appoints new board

Leadership Greater Hartford has welcomed eight executives to its board of directors. They are: **David Brandwein**, a retired attorney and founder and principal of Environmental Risk Limited; **Tammy Casey**, vice president of underwriting operations at UnitedHealthcare; **Bernard Kavalier**, managing principal for Express Strategies; **Matt Necci**, partner at Halloran & Sage LLP and chair of the firm's workers' compensation practice group; **Brenda Pabon**, community relations and urban marketing program consultant for Aetna; **Taryn Stejskal**, director of leadership development and assessment at Cigna; **Rob Torres**, vice president for Webster Bank; and **Gioia Zack**, a commercial/investment real estate specialist for O,R&L Commercial and co-owner/vice president for Luna Blu LLC.

S/L/A/M Construction Services president joins board of CT builders group

Glastonbury-based design-build firm S/L/A/M Construction Services said its President **Eugene Torone** has joined the Associated Builders and Contractors of Connecticut board of directors. Torone has more than 30 years of experience in planning and managing construction projects, with 19 years managing design-build projects. Torone currently serves on Connecticut ABC's member-recruitment committee.

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	2013	2014
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Total Assets	\$4,115,423	\$4,046,818
Total Liabilities	\$331,132	\$299,057

REVENUES

Contributions & Grants	\$4,633,322	\$4,253,570
Program Service Revenue	\$14,382	\$1,300
Investment Income	\$8,111	\$10,904
Other	\$0	\$0
TOTAL	\$4,655,815	\$4,265,774

EXPENSES

Grants	\$0	\$0
Member Benefits	\$0	\$0
Salaries/Employee Benefits	\$3,478,756	\$3,465,763
Fundraising Fees	\$0	\$0
Other	\$897,653	\$837,422
TOTAL	\$4,376,409	\$4,303,185
MARGIN	\$279,406	\$(37,411)

TOP PAID EXECUTIVES (FY 2014)

	Base Salary	Total Compensation & Benefits
Jamey Bell, Executive Director	\$125,657	\$151,841
Jill Davies, Deputy Director	\$123,199	\$141,382
Susan Garten, Managing Attorney	\$113,528	\$143,019

SOURCE: GUIDESTAR IRS 990 TAX FORM

Patricia Wrice, executive director of **Operation Fuel**, has announced her retirement after 18 years, effective June 30.

Under Wrice's leadership, the Bloomfield nonprofit's annual financial assistance has grown sevenfold from \$500,000 to more than \$3.6 million in energy assistance.

When she started, Wrice was the organization's sole employee and the fuel bank's assistance was restricted to the winter. It has now expanded to be a full-year operation.

Operation Fuel has evolved into a statewide, year-round energy assistance program with more than 100 fuel banks throughout Connecticut.

Operation Fuel is conducting a search for the next executive director and expects to make an announcement by late June.

• • •

The Society of Industrial and Office Realtors (SIOR) awarded a total of **\$11,000** to four students from UConn's School of Business, all majoring in real estate and urban economics.

The scholarships are funded from the Chapter sponsored Samuel F. Pierson and Carl F. Traub scholarships, with matching dollars provided by The SIOR Foundation.

• • •

The Hartford Foundation for Public Giving, the community foundation for 29 communities in Greater Hartford, awarded more than **\$33.1 million** in 2,135 grants to the region's nonprofit agencies and educational institutions in 2015.

Foundation president Linda J. Kelly said both numbers were records.

The foundation invested 30 percent of its grants in education from birth through high school, and new and renewed college scholarships. Grants for family and social services received 20 percent; health, 4 percent; arts and culture, 11 percent; housing and economic development, 19 percent; and summer programs, 4 percent.

According to the latest estimated, unaudited numbers, the foundation ended 2015 with assets of \$888.3 million in 1,120 funds. The Foundation received gifts totaling \$17.5 million with 29 new funds, including a new "Black Giving Circle Fund," to address issues facing Greater Hartford's black community.

Since its founding in 1925, the foundation has awarded approximately \$654 million in grants.

During 2015, more than \$1.5 million was awarded to three Greater Hartford school districts, Bloomfield, East Hartford and Windsor, for implementation grants following the districts' strategic planning. Another \$3.95 million was granted to support the Career Pathways Initiative, to provide residents with education and workforce training.

• • •

The Hartford Foundation for Public Giving has awarded a **\$100,000** one-year grant to **Leadership Greater Hartford** to support Hartford Decide\$.

The program will allow Hartford citizens to propose project ideas to improve their neighborhoods. Residents will then vote on their favorite projects to receive \$1.3 million in capital improvement funds.

TOWN PROFILE

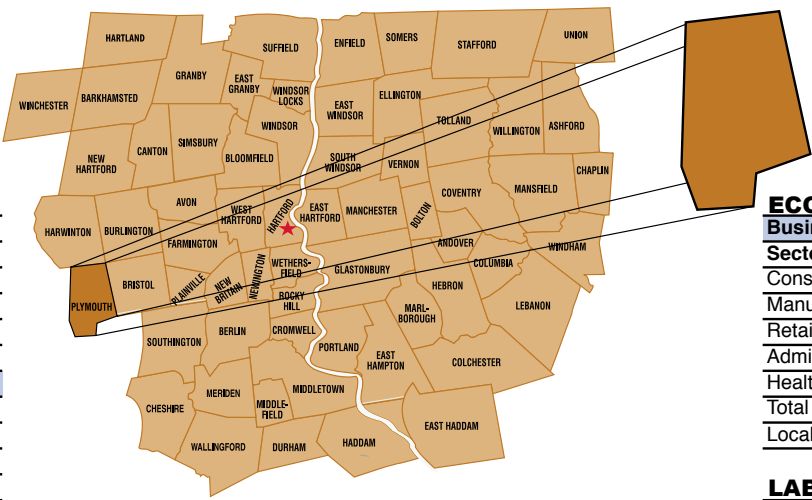
Land area (sq. miles)	22
Pop./sq. mile (2011)	561
Median age (2011)	41
Households (2011)	4,739
Median HH Inc. (2011)	\$73,603

Population (2012)	
2000	11,634
2010	12,213
2012	12,193
2020	12,789

Race/Ethnicity (2012)	
White	11,888
Black	56
Asian Pacific	0
Native American	0
Other/Multi-race	249
Hispanic	374

HOUSING	
Housing stock (2012)	
Existing units (total)	5,105
% single unit	79.8%
New permits auth. (2012)	5
as % existing units	0.10%
Demolitions (2012)	0
Residential sales (2011)	NA
Median price	NA

Top 5 Employers	
Nicard Enterprises	
Alliance One Inc	
Al Simmons Co Inc	
Plymouth Fire Dept	
Cook Willow Convalescent Hospital	



PLYMOUTH

Town Hall: 80 Main Street,
Terryville, CT 06786
(860) 585-4039

ECONOMICS		
Business profile (2013)		
Sector	Units	Employment
Construction	34	238
Manufacturing	32	383
Retail Trade	20	162
Admin, Waste Mgmt, Remediation	13	176
Health Care and Social Assistance	15	240
Total Government	16	402
Local/Municipal Government	13	381

LABOR FORCE		
Commuters (2011)		
Commuters into town from:		
Plymouth	528	Watertown 88
Bristol	303	Wolcott 58
Waterbury	160	Harwinton 43
Thomaston	123	Litchfield 39
Torrington	93	

Labor Force (Residence)	
Employed	6,156
Unemployed	603
Unemployment Rate	8.9%

Place of Work (2013)	
# of units	220
Total Employment	2,061
Manufacturing Employment	383

TOP 5 GRAND LIST		
Company	Amount	% of Net
Connecticut Light & Power	\$7.8M	1.0%
Connecticut Water Co.	\$4.6M	0.6%
Roth Collection Inc.	\$2.8M	0.4%
City of Bristol Water Co.	\$2.6M	0.3%
Cook Willow Heavy Partnership	\$2.1M	0.3%

Source: Connecticut Economic Resource Center, www.cerc.com

Who do small businesses choose for health insurance?

CBIA HEALTH CONNECTIONS

Health insurance is the most important benefit you offer and it's a big part of your budget. You need an insurance program that not only meets the needs of your employees but also helps you control costs. CBIA Health Connections — the most successful private insurance exchange for small business — is the solution.

With Health Connections you simply set your contribution level then let your employees choose a plan from Aetna, ConnectiCare, Harvard Pilgrim, or UnitedHealthcare.

From medical and dental plans to life, disability and vision options, there's something for everyone with CBIA Health Connections.

Contact your agent for a quote or call 860.244.1900.

CBIA Health Connections allows me to offer my employees a valuable benefits package while helping to control our medical benefits budget.

Richard P. Ramondetta
President
Alloy Specialties, Inc.
Manchester

EDITORIAL

State late to modernizing health industry oversight

One of the chief complaints about government is that it's often behind the eight ball when it comes to discerning macro trends, putting consumers, businesses and the broader economy at risk.

The subprime mortgage crisis was a prime example, as myriad government regulators and legislators fell asleep at the wheel allowing shoddy home loans to derail the world economy.

In Connecticut, the state's slipshod oversight of the healthcare industry is a concern. Last week, Gov. Dannel P. Malloy essentially ordered a one-year moratorium on hospital mergers, so that a newly formed task force could examine the state's mergers and acquisitions oversight process and other major changes gripping Connecticut's healthcare industry.

Our question is what took so long? Consolidation has been overtaking Connecticut's healthcare industry for at least a decade. It started with the 2006 merger of New Britain General and Bradley Memorial hospitals, and picked up speed following passage of the Affordable Care Act in 2010.

Now there are just a handful of independent hospitals left in the state; 22 of Connecticut's 28 acute-care providers are either owned by or seeking to join larger institutions.

Concerns about larger health systems' abilities to raise prices and reduce patient services are legitimate, but the consolidation train, in many ways, has already left the station.

Connecticut should have modernized and standardized its M&A oversight process years ago, when major deals were already percolating and media organizations across the state, including Hartford Business Journal, wrote in-depth pieces (see "Hospitals Seek Survival in Arms of Health-Care Giant" Aug. 10, 2009) predicting a major consolidation wave even before "Obamacare" became part of the American vernacular.

Indeed, the major changes sweeping through the state's healthcare system shouldn't be a surprise. Lawmakers in recent years have held numerous meetings and public hearings about hospital and physician-practice consolidation and how to properly oversee it.

Yet, according to Malloy, Connecticut has taken a "piecemeal" approach to the merger approval process, which seems to be an admission of regulatory malpractice, posing significant risks for the healthcare industry and Connecticut's broader economy.

Signs of that "piecemeal" approach were evident in 2014, when the state Office of Health Care Access (OHCA) proposed unprecedented controls over staffing, services and pricing as a condition for Texas-based Tenet Healthcare to purchase Waterbury Hospital. Tenet was a for-profit operator also looking to buy several other hospitals, but ended its two-year bid to enter the state after OHCA essentially handcuffed its ability to do business here.

At the time, we questioned why state regulators were asking Tenet to play by different rules than other Connecticut hospitals, as some of the 47 conditions placed on Tenet's deal were included in previous 2014 legislative proposals that lawmakers deemed too onerous.

The irony is Tenet could have provided added competition to an industry many experts agree will be dominated by a few large systems, including Hartford Healthcare and the Yale New Haven Health System. Luckily, several new players have since entered the market — Michigan-based Trinity Health and California-based Prospect Medical Holdings — to buy some of our state's healthy and ailing hospitals.

We understand making sense of the rapidly changing industry is no easy task, and we aren't asking state regulators to rubber-stamp hospital mergers. Clearly, we need a comprehensive study on the state's competitive landscape and health systems' market power. We also need a more equitable, transparent and streamlined regulatory process that establishes well-defined benchmarks for governing hospital and physician-practice takeovers. We're just disappointed Malloy and the rest of the legislature are showing up so late in the game. ■

RULE OF LAW

Don't blame GE for leaving CT

By John Horak

If GE executives have second thoughts about their decision to leave Connecticut, all they need to do to restore peace of mind is read editorial pieces that have been published recently that disparages them and their company. An example is an op-ed by Sarah Littman ("Who are the Real Moochers?"), which appeared on the CT News Junkie's website Jan. 22.



John Horak

Littman takes State Rep. Themis Klarides (R-Derby) and State Sen. L. Scott Frantz (R-Greenwich) to task for arguing that GE's exit is the result of the state's lack of leadership and contempt for private-sector business, and for their warning that the state's excess borrowing and high taxes will drive more companies out of state. In Littman's words, they "have the barefaced chutzpah to stand there and claim this decision is due to Connecticut taxes when GE is one of the nation's most notorious corporate tax avoiders." She also chastises Massachusetts for handing GE subsidies (corporate welfare) worth \$181,000 per job to induce GE's move to Boston.

Littman's complaints about corporate tax avoidance and welfare are popular because they are seductively simple and provide an easy target. It is easier to cast GE as an entity of ill repute selling itself to the highest bidder, than it is to do the hard work necessary to get our state's fiscal house in order. However, my purpose is to demonstrate that her widely held, but facile grievances fail to make the case that Klarides and Frantz are wrong about Connecticut's failed leadership and antipathy to business.

First, I am a tax lawyer by training, and in my 35 years in practice I have never met any individual, corporation or nonprofit, whether rich, poor, big, small, Republican, Democrat or socialist, that did not do his, her, or its best to avoid taxes. Tax avoidance is legal — and means planning your affairs (including where you reside) to reduce your tax liability by any means the law allows (such as by claiming available deductions and exemptions). On the other hand, tax evasion (avoiding what the tax law requires) is a criminal offense (such as claiming a personal exemption for children who don't exist).

Moreover, the tax question must be examined in the context of the state's accumulated liabilities to its bondholders and pension funds (totaling \$ 70 billion or so). These must be paid with someone's money. So the tax question is whether we trust the leaders who got us into this situation not to double down on their spendthrift habits with new or additional taxes. Many people have asked me why investors keep buying our bonds if we are in such bad shape. The answer, I suspect, lies in the state's ability to increase existing taxes and, with a simple majority vote in the legislature, impose a state-level property tax on homes, cars, equipment, and any other property on top of municipal property taxes already in place. At the end of the day the buck stops with the taxpayers.

Second, I abhor corporate welfare as a means of attracting business to the state. In my perfect world, states would attract businesses solely on the basis of the health of their culture, economics and management. But the reality is that the corporate welfare genie left the bottle years ago, and we have to deal with him and every other state playing by his rules.

Consequently, the real question is how well our state's leaders play the business recruitment game. Two recent events indicate they do so poorly. The first is the notorious mistake that was made during the state's presentation to GE executives (in an effort to convince them to stay) in which the written materials included a picture of a Pratt & Whitney jet engine. This was a high school-level blooper — the equivalent of a typo-laden cover letter and resume submitted to a prospective employer.

But the irony drenched example is what happened with Tenet Healthcare a little over a year ago. Texas-based Tenet had reached an agreement to acquire five Connecticut hospitals, convert them to for-profit entities and invest \$550 million of its own money in the state. The proceeds of the acquisitions would have poured

money into community healthcare foundations, and new investments would have upgraded and modernized healthcare facilities. Tenet walked away from the deals after the state imposed onerous restrictions on one of its acquisitions.

Meantime, the state's response to our hospital's continuing red ink is to tell their CEOs to take a pay cut. Now, that is chutzpah on a grand scale — one that we may not be able to afford any longer. ■

John M. Horak has practiced law at Reid and Riege P.C. in Hartford since 1980. His opinions are his own.

HARTFORDBUSINESS.COM POLL

Should Tesla be allowed to sell its cars directly to CT consumers?

- ☐ Yes
☐ No

To vote, go online to HartfordBusiness.com.

Last week's poll results:
Should CT end minimum pricing rules for alcohol?

82.7% Yes
17.3% No



Send Us Your Letters

The Hartford Business Journal welcomes letters to the editor and guest commentaries for our opinion pages. Electronic submissions are preferred and welcome at: editor@HartfordBusiness.com. Or you may fax submissions to Editor, Hartford Business Journal, at (860) 570-2493.

Make your employees your brand champions

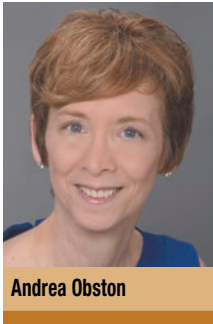
By Andrea Obston

Employees are your brand ambassadors. They are its communicators, defenders and protectors. They give life to your brand. And, like ambassadors to foreign lands, they have the power to bring your message to the locals.

When your marketing efforts include employees as a critical part of the mix, they understand their role in the process. And they feel empowered to live your brand in every customer interaction.

When you empower your employees to hand-carry your brand to the world — through their social media posts, contact with customers and interactions with the community — they give your marketing more traction than any other vehicle.

According to the Edelman's Annual Trust-barometer Study, the everyday employee is a two times more trusted source of brand information than a company's CEO.



Andrea Obston

The people who walk through your front door every day need to live and breathe your brand in everything they do at work. Employees who feel a sense of pride in their companies are more likely to share those feelings through their own social media channels, work harder for customers and better leverage marketing campaigns.

In his book "Delivering Happiness," Zappos CEO Tony Hsieh explains that the best way to protect a brand is to make sure it's an integral part of the employee culture. If living your brand comes naturally to your employees they will represent your brand authentically wherever they come in contact with your customers — on a sales call, during a face-to-face retail transaction, on the web or in an email. That means that every customer interaction must be consistent with the brand you've crafted through your website, your PR and your online and traditional advertising.

Ignoring this will inevitably turn those employees into "your most likely brand assassins." That's a great line I had to use from Mark W. McClellan, senior vice president of MSL-GROUP. He adds that, "100 years of trust can be broken by an intern or an hourly employee."

Zappos gets this. Despite that most of their transactions are online, their employees are

the primary focus of their marketing plans. Zappos employees live their company's brand.

Businesses that want to create their own corps of brand ambassadors need to start by creating an authentic brand; one that honestly reflects the values of the company and the products it brings to the marketplace.

Here are a couple of ways to do that:

Educate your ambassadors. It's important that every employee be on the same page when it comes to your brand. Make sure they understand your brand's goals and strategies. Consider your employees as one of your most important target audiences. Rolling out a new product? Employees should see it first. Whenever Disney World opens a new park, employees see it before it's open to the public.

Celebrate your employees' role as "keepers of the flame." Emphasize the importance of each individual's role in safeguarding the brand. Let them know that they are the keys in what you are trying to accomplish. Help them understand how they add value to the company and why they are a critical part of its success.

Make employees your brand champions on social media. Employees who are inspired by their work and active on social media can help a brand build an emotional connection with customers. Build your own social media army by

giving employees the encouragement and information they need to post about company developments through their personal social media activities. With their help and enthusiasm your brand can potentially reach thousands of individuals without spending a dime. Adobe created an online brand ambassador program in 2014. Their corporate reputation team brought together 21 employees from seven different locations and asked them to help tell the company's story. The group is routinely pre-briefed on Adobe announcements before they become public and are given the chance to be the first to share this information through their own social media.

Reward enthusiastic brand ambassadors. Employees who take up the charge to carry the brand forward deserve recognition. Acknowledge their efforts. It could be something as basic as a congratulatory email or handwritten note, or a unique item that can be displayed in their offices. I once worked for an ad agency that gave out hockey sticks for employees that went above and beyond. Every employee who earned a stick proudly hung them on their office walls. ■

Andrea Obston is president of Andrea Obston Marketing Communications in Bloomfield.

BIZ BOOKS

Strategies to break through B2B sales walls

"Dealstorming — The Secret Weapon That Can Solve Your Toughest Sales Strategies" by Tim Sanders (Portfolio/Penguin, \$28).

Today's world of B2B sales has many moving parts because a sales team must deal with the varying perspectives of contacts, influencers and stakeholders who provide input on the buying decision. The buying process moves up, down and laterally in an organization. To effectively deal with buying teams, you need to develop selling teams capable of addressing the sale from multiple viewpoints.

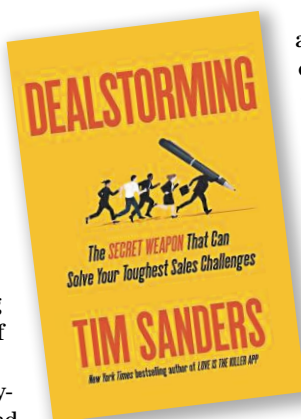
Sanders relates the four C's of sales (contact, conceive, convince, contract) in the context of a team-selling effort. Here's a snapshot of each:

Contact: When identifying contacts, look well beyond the initial touchstone; check the prospect's website for others who may have a stake in the buy. Use LinkedIn and Google search to find information. Use your internal staff, too, because they may know someone who knows someone — particularly if they're active in professional associations. Connect as many networking dots as you can.

Conceive: Use networking within the prospect's industry to find information about its business (e.g. history, competitive position, strategy, etc.) to identify the potential pain points, which your potential solution could



Jim Pawlak



address. With this information, coupled with a thorough knowledge of your product/potential solution (including customization) engage the prospect contacts to delve deeper to confirm what your homework uncovered.

If the prospect has already embarked on a solution-finding mission, you'll have to find where it's at in the process, and the research it has done. Use this information to

hone your pitch — including pick-and-choose features and benefits, which create pricing flexibility.

Convince: Showing the prospect that your solution reduces costs, increases efficiency, etc., may not be enough; with multiple perspectives in play, there will always be questions about probability and uncertainty — especially because any solution requires the prospect to change its processes.

Selling change can also be difficult because its implementation costs are difficult to assess. Pointing out the costs of delaying a decision (i.e. the prospect continues experiencing pain

► **The longer it takes to reach agreement, the greater likelihood the buyer will second-guess its ability to work with you.**

points that hold it back) usually resonates with those involved in the buy decision.

Contract: Negotiating terms involves the ability to "fit" the way both you and the prospect do business. There will be sticking points; someone has to bend. Be aware of the "must haves" and "like-to-haves" of both sides when negotiating.

The longer it takes to reach agreement, the greater likelihood the buyer will second-guess its ability to work with you.

• • •

"Leadership and the Art of Struggle: by Steven Snyder (Berrett-Koehler Publishers, \$19.95).

Shakespeare's Henry IV: "Uneasy lies the head that wears a crown." The test of true leaders comes when things are not going well. Snyder's reveal: When difficult decisions must be made, leaders don't want to openly discuss their struggles with problems and solutions. Why? Leaders harbor the belief that acknowledging their struggles will make them appear weak — precisely the last

thing followers want to see.

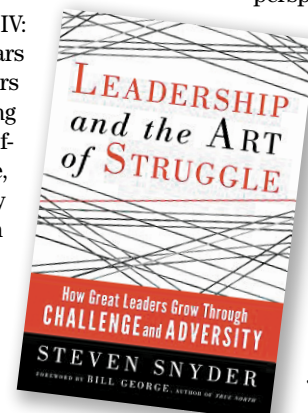
Snyder sees dealing with struggle as a building block of leadership because change, and its implementation, triggers trail-breaking decisions. As different replaces existing, change leads to tension and an out-of-balance condition — internally and within the ranks.

Dealing with challenge and adversity requires adaptive energy — the force that aligns actions with a leader's inner values and principles and the external criteria necessary for success. It also shows leaders they are not alone. Those with adaptive energy seek, listen to and assess feedback and incorporate new perspectives and learning into their

decision-making process. Knowing people have their back, a leader can turn internal struggle into creativity and goal-oriented pursuits.

"The greatest adversary of adaptive energy is fear." In some cases it's ego-driven; in others it's the what-if fear of failure. ■

Jim Pawlak is a nationally syndicated book reviewer.



ACCOLADES & MORE



OF NOTE

COMCAST SENIOR LEADER NAMED WOMAN OF POWER

Comcast's **Beverly Elliott** (shown above, left) was recently honored by the Urban League of Southern Connecticut as a "Woman of Power." Elliott was among 11 women saluted from a wide variety of fields, including business, medicine, law and education.

Elliott was also recently promoted to senior director of project management for Comcast's Western New England Region and has joined the region's senior leadership team.

The University of Michigan graduate has more than 20 years of industry experience and oversees Comcast's regional Project Management Office, which is responsible for creating and managing the execution of plans and cross-functional teams that ensure new initiatives and product launches are rolled out efficiently and smoothly.

...

CBA PRESIDENT-ELECT TO LEAD NEW ENGLAND BAR ASSOCIATION



Monte E. Frank

Attorney **Monte E. Frank** has been elected president of the New England Bar Association. Frank is president-elect of the New Britain-based Connecticut Bar Association.

In his role as president, Frank will lead the New England Bar states' legal community as it grapples with challenging issues.

Frank is a principal in the litigation and municipal groups of Cohen and Wolf, which has offices in Bridgeport, Orange, Danbury and Westport.

...

CT LANDSCAPE ARCHITECTS ANNOUNCE 2016 PROFESSIONAL AWARD WINNERS

The Connecticut Chapter of the **American Society of Landscape Architects** recently announced the winners of its annual Connecticut Professional Awards competition. The winning companies included:

- Towers|Golde LLC (New Haven), Award of Excellence for The Phoenix Plaza (Phoenix Life Insurance Co./Hartford)
- Devore Associates LLC (Fairfield), Merit Award for Marriott Plaza (Culinary Institute of America/Hyde Park, N.Y.)
- Artemis Landscape Architects Inc. (Bridgeport), Honor Award for Environmentally Sustainable Post-Sandy Beachfront (Private Residence/Fairfield)
- Artemis Landscape Architects Inc. (Bridgeport), Merit Award for Seaside Terraces in Balance with Nature (Private Residence/Darien)
- The S/L/A/M Collaborative (Glastonbury), Merit Award for Providence College Landscape & Land Use Master Plan (Providence, R.I.)
- Milone & MacBroom Inc. (Cheshire), Merit Award for Ethel Walker Woods Stewardship Plan (Simsbury)

...

UNIVERSITY OF ST. JOSEPH RECEIVES GLOBAL MARKETING AWARD

The **University of St. Joseph** in West Hartford will receive an international marketing award from the Place Marketing Forum in Aix-en-Provence, France in March. The school will be recognized as a "remarkable model of digital and inbound marketing," specifically for its 2014-2015 "I Will" Recruitment Campaign, which resulted in a 42 percent increase in undergraduate first-year enrollment.

YOUNG LAWYERS FUND WOMEN'S SHELTER



► The Connecticut Bar Association's Young Lawyers Section recently presented a \$2,500 contribution to Life Haven, an organization offering emergency shelter for homeless pregnant women and women with young children. The donation is comprised of the net proceeds from the section's annual holiday party, as well as a donation from Faxon Law Group. Pictured (from left) are: CBA Executive Director Douglas S. Brown; Life Haven Shelter Manager LeAnne Brewer; Life Haven Community Relations Specialist Mary Grande; CBA-YLS Chair Matthew Necci; CBA-YLS Treasurer Suphi Philip; and Faxon Law Group Communications Director Christina Acampora.

LOCAL FOUNDATION SUPPORTS BOYS & GIRLS CLUB OF BRISTOL



► The Maximilian E. & Marion O. Hoffman Foundation has awarded a \$25,000 grant to the Boys & Girls Club of Bristol Family Center to support their Outreach Unit at Cambridge Park. Located in a public housing complex, the Outreach Unit provides programs and activities to youth ages 6-18. The funds will be used to continue to support the safe and positive climate as well as expanded programming at this site. Pictured (from left) are: Joseph B. Chaho, vice president and secretary for the E. & Marion O. Hoffman Foundation; Dawn Burke, director of development for the Boys & Girls Club of Bristol Family Center; Michael Suchopar, chief program officer for the Club; and Marion L. Barrak, president/CEO for the Foundation.

UNITED BANK FOUNDATION SUPPORTS GREATER HARTFORD ARTS COUNCIL



► The United Bank Foundation Connecticut has donated \$20,000 to support the Greater Hartford Arts Council's United Arts Campaign kick-off event, Big Red for the Arts. The fundraising event will feature food from the area's top restaurants, wines and spirits from around the world, and an arts showcase by community artists. All proceeds benefit the United Arts Campaign, which supports arts organizations and programs that provide educational opportunities, celebrate diversity, and drive the local economy. Pictured (from left) are: Cathy Malloy, CEO of the Greater Hartford Arts Council; and Adam Jeamel, eastern Connecticut regional president of United Bank.

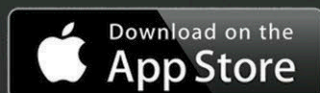
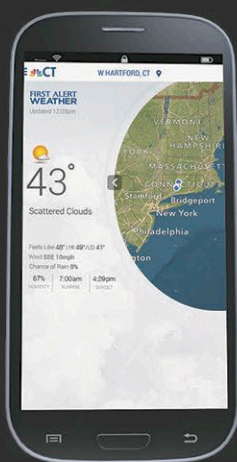


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